



Family Handbook

A Guide to the Education Savings Account (ESA) Program



Tennessee
**Education Savings
Account Program**

Tennessee Department of Education | 2023-24 School Year

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Tennessee Education Savings Account (ESA) Program Overview

This guide provides information to families participating in the ESA Program.

The ESA program allows students who are zoned to attend a Memphis-Shelby County school, a Metro Nashville public school, or a school that was in the Achievement School District (ASD) on May 24, 2019, to use state and local money toward education expenses, including tuition and/or fees at approved private schools.

In Spring 2019, the Tennessee General Assembly passed and Governor Bill Lee signed into law the Tennessee Education Savings Account (ESA) Pilot Program, codified at Tennessee Code Annotated (Tenn. Code Ann.) § 49-6-2601 et seq. The first Education Savings Accounts (ESAs) were awarded in August 2022. To implement the program, the Tennessee State Board of Education (SBE) approved rules, Chapter 0520-01-16, and the department developed procedures to implement the ESA Program. Links to the ESA Program Law and Rules are posted on the department's ESA website: esa.tnedu.gov.

A frequently asked questions list is available for families as well as other helpful ESA resources, visit esa.tnedu.gov.

For the 2023-24 school year, the application will be available mid-February and located on the ESA website. Please visit esa.tnedu.gov for more information.

Contact Information



The Tennessee Department of Education (the department) can answer further questions regarding the Education Savings Account program. See below for specific contact information.	
Email:	ESA.Questions@tn.gov – for all questions relating to the ESA Program ESA.Applications@tn.gov – for questions relating to the student ESA application
Phone:	615-741-9360

Student Eligibility and Funding

Students must meet the following eligibility requirements below in order to participate in the ESA Program.

- **Tennessee resident entering kindergarten through grade 12**
 - To be eligible to enter kindergarten, a child must be five years old on or before August 15 of the school year for which the child will be in kindergarten (State Board of Education Rule 0520-07-02).
 - A child turning five on or before September 30 may enter kindergarten if:
 - **the child's parent or legal guardian requests the child be tested by the school where the child would attend kindergarten,**
 - **the principal or head of school finds through evaluation and testing that the child is sufficiently mature emotionally and academically to enter kindergarten, and**
 - **the school has a policy permitting early admission to kindergarten through testing.**
 - Students admitted early to kindergarten must submit an acceptance letter from a Category I, II, or III participating school with the application.
- **Meets one of the following requirements:**
 - Previously enrolled in and attended a Tennessee public school for one full school year immediately before the school year for which the student receives an ESA
 - Eligible for the first time to enroll in a Tennessee public school
 - Received an ESA in the previous school year
- **Currently zoned to attend a Memphis-Shelby County school, a Metro Nashville Public school, or a school that was in the Achievement School District (ASD) on May 24, 2019.**
- **Member of a household with an annual income for the previous year that does not exceed twice the federal income eligibility guidelines for free lunch (See abridged chart below.)** *Note: Students identified as "at-risk" as defined in federal law [Tenn. Code Ann. § 49-3-307(a)(6)/ 42 U.S.C. § 1759(b)(5)] will automatically meet the income requirements for eligibility. "At-risk" includes, but is not limited to, children who are homeless or from households that receive benefits under the Temporary Assistance for Needy Families (TANF) program.*

Income Chart: 2023-24

Household Size	Twice the Federal Free Lunch Income Guidelines
2	\$51,272
3	\$64,636
4	\$78,000
5	\$91,364
6	\$104,728
7	\$118,092

More information regarding student income eligibility is available online at esa.tnedu.gov.

Eligibility Examples

The examples below are meant to assist you in identifying whether your family is eligible for an ESA. These examples are not meant to be an exhaustive list. For further questions, email esa.questions@tn.gov or call 615-741-9360.

Cara, who is about to be a high school senior, lives in Memphis and received an ESA the previous school year. Her zoned school is a Memphis- Shelby County district school. As long as her family meets the income requirements, she will be eligible for an ESA.

Helena is starting middle school and her family moved from Atlanta, Georgia to Nashville this summer. Her new address will have her zoned to attend a Metro Nashville public school. If Helena's family meets the income requirements, she will be eligible for an ESA because this is the first time she is enrolling in a Tennessee school.

Jason has been attending pre-K at a local private school in Shelby County and is zoned to attend a Memphis-Shelby County public school. If Jason's family meets the income requirements, he is eligible for an ESA because this is the first time he is enrolling in a Tennessee public school.

Trejean attended public school in Knoxville last year and his family recently moved to Nashville. Trejean's new address assigns him to a Metro Nashville public school. As long as his family meets the income requirements, he will be eligible for an ESA.

Desiree is zoned to attend a Memphis-Shelby County school and was homeschooled last year for the second grade. She is not eligible for an ESA. Desiree would need to return to a Tennessee public school for one full school year before she is eligible.

Thomas is zoned to attend a Metro Nashville public school and attended a private school in Nashville last year for seventh grade. He is not eligible for an ESA and would need to return to a Tennessee public school for one full school year before he is eligible.

Lupe attends a pre-K program at a private school in Davidson County and is zoned to attend kindergarten in a Metro Nashville public school. As long as her family meets income requirements, she is eligible for an ESA.

School Eligibility

ESA funds can be used to pay tuition at a Category I, II, or III participating non-public school.

Category I, II, or III private schools may apply to the department to become a participating school. A list of categories, definitions, and approved accrediting agencies can be found [here](#).

Category I: Schools approved by the department.

Category II: Schools approved by an accrediting agency which has been approved by the Tennessee State Board of Education (SBE).

Category III: Schools that are regionally accredited as identified by the SBE.

Terms of the ESA

A student **currently receiving ESA funds remains** eligible for the ESA Program until the student:

- Enrolls in a public school
- Enrolls in a school that is not a Category I, II or III private school or a private school not approved under the rules of the State Board of Education
- Is no longer a resident of the local school district in which the student lived when the student began participating in the ESA Program (account holders must reapply to the ESA Program each year and verify their home address and income)
- Is suspended or terminated from the ESA Program
- Graduates or withdraws from high school (certificates of attendance do not equal graduation from high school for the purpose of the ESA Program. A student may continue in the program until he or she receives a high school diploma or receives a passing score on all subtests of the General Educational Development test (GED) or High School Equivalency Test (HiSET))
- Reaches 22 years of age (the student may complete the school year in which he or she reaches the age of 22, as long as he or she will not be enrolled in the program past August 15 of the next school year)
- Fails to verify that household income meets the requirements

Note: A participating student may voluntarily withdraw from the program at any time. If a participating student withdraws, the participating school must notify the department within five business days of withdrawal using the online form found at esa.tnedu.gov.

Student Enrolling in the ESA Program with IEP or 504

- If your student has an Individualized Education Program (IEP) or 504 plan, they are eligible and encouraged to apply. Before applying to and enrolling in the ESA Program, you should know that your student will be required to enroll in a non-public school. Non-public schools are not required to follow the Individuals with Disabilities Education Act (IDEA) and may not be required to follow Section 504 of the Rehabilitation Act. Please be aware of the following:
- Non-public schools are not required to follow the IDEA. If your student had an IEP in public school, enrollment in the ESA Program means that your student will no longer be entitled to a free appropriate public education (FAPE) provided through an IEP but will instead be entitled to equitable services provided through an individual service plan (ISP). The distinction between an IEP and an ISP is that students with an IEP are required to receive *all* of the special education and related services that the student needs to receive FAPE, but students with an ISP are only required to receive some special education and related services depending on the amount of funding that the school district has set aside for non-public students. The school district involved will engage in a process called “consultation” with you to develop an ISP and to determine which services will best support your student. For more information about equitable services, ISPs, and the consultation process, please see the following question and answer document from the United States Department of Education [here](#).
- Non-public schools are only required to follow Section 504 if the school receives federal funding. Some non-public schools may not receive any federal funding and are therefore not required to implement the 504 plan that your student had in place in public school.

While non-public schools are not required to continue services and you want to enroll your student in the ESA Program, this section will outline what your family needs to know upon enrollment.

Special Education Services

While a student participating in the ESA Program does not retain the right to receive special education and related services through an Individualized Education Program, the participating student does retain the right to continue special education eligibility through an IEP if they return to public school. **Enrollment in the ESA Program does not result in your student being automatically non-eligible. Eligibility decisions are made solely by the student's IEP team.**

If your participating student had previously been found non-eligible by the local education agency (LEA) due *only* to enrollment in the ESA program, the parent/legal guardian may request, in writing, an initial assessment to determine if the child is a student with an educational disability. If your student is found eligible by the IEP team, an Individualized Service Plan (ISP) should be developed if the team determines that such services are appropriate and required.

- o Students enrolled in non-public schools may request an eligibility evaluation from the LEA in which the non-public school is located.
- o Students enrolled in independent home schools may request an eligibility evaluation from the LEA in which the student resides.
- o Upon signing the ESA Account Holder Contract, the account holder has the right to withdraw the student from the ESA Program at any time, following the procedures in this handbook, and enroll the student in a public or non-public school, or a home school independent from the program. Prior to re-enrolling in public school, account holders must notify both the Tennessee Department of Education (the department) and the LEA to provide information that the student intends to withdraw from the ESA Program.

Parent and Student Rights Waived in the ESA Program

By signing the *ESA Account Holder Contract* and accepting ESA funds, account holders acknowledge the following:

- o If my child has previously been determined eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA), I acknowledge that my child will remain eligible for special education and related services at the local education agency serving the area in which I reside, but that my child will be marked as “inactive” as long as my student is enrolled in the ESA Program.
- o If my child has previously been determined eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA), I acknowledge that my child will not be served through an individualized education program (IEP) and that my child will not be entitled to receive a free appropriate public education (FAPE) through either the local education agency serving the area in which I reside or through the non-public school in which my child enrolls. I acknowledge that any IEP that was in effect prior to my child's enrollment in the ESA Program will no longer be effective.
- o If my child has previously been determined eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA), I acknowledge that my child is entitled to an individual service plan (ISP) and that my child is entitled to equitable services through the local education agency serving the area in which the non-public school that my child enrolls is located.
- o If my child has previously been served through a Section 504 plan, I acknowledge that the non-public school in which my child enrolls may not be required to implement that plan.

Students Reaching the Age of Majority

Unless there has been a previous legal determination that a non-minor student is incompetent to make educational decisions, all educational rights transfer to the student upon reaching the age of majority (18 years old). This includes the right to determine whether the student will continue to waive individual rights under the Individuals with Disabilities Education Act and continue to participate in the ESA Program or exercise the right to cancel the ESA funds and withdraw from the ESA Program.

A student who is emancipated according to the court may also act as his or her own account holder. A valid, signed Power of Attorney or Conservatorship must be provided to ESA.Questions@tn.gov. Once provided, the ESA Program Team will not be able to discuss the emancipated student's account with the parent. An emancipated student who wishes to be their own account holder should contact the ESA Program Team.

Upon the student's reaching the age of majority or upon emancipation, the student or parent must complete one of the following to continue participation in the ESA Program during the current year or to renew an ESA for the following school year:

The student, acting as the ESA account holder, must sign and submit a notarized Power of Attorney document that conforms with Tenn. Code Ann. § 34-6-101 *et seq.*, and states that the attorney-in-fact (the parent applicant) has the authority to make both:

- 1) educational decisions regarding placement and participation of the student in the ESA Program; **and**
- 2) banking and financial decisions and transactions as limited to management, control, and access of the ESA funds; **OR**
- 3) the parent applicant must provide to the department documentation showing that he or she has been appointed as conservator of the student. The documentation must explicitly state that the conservator has the ability to make educational and financial decisions for the student (See page 12 for more information on submission of required documentation.) In the event custody changes involving a student are determined by court, the ESA account holder should notify the ESA Program Team.

Updating Account Holder and/or Student Information

Account holders must regularly verify and update contact information on file to ensure regular and timely communications from the department. This includes, but is not limited to, any changes made to the following:

- email address
- physical address
- phone number
- student's grade level
- change in legal status (i.e., Conservatorship or Power of Attorney documentation)

Account holders must report any of the changes above to the department by emailing ESA.Questions@tn.gov.

Account Holder

The funds received through the ESA Program constitutes as a **scholarship** provided for use on qualified educational expenses per Tenn. Code Ann. § 49-6-2603(i)(1). Scholarship distributions and allocations are managed by the account holder. An **Account Holder** is the parent, legal guardian or student who has reached the age of eighteen. The account holder is responsible for signing the ESA Program contract and is responsible for complying with the requirements of the ESA program. These responsibilities include completing the funding pre-approval form, complying with Tennessee Comprehensive Assessment Program (TCAP) requirements, and other aspects of participation in the program as determined by the department.

Determination of Allocations

The maximum annual amount a participating student is entitled to under the ESA program shall be equal to the amount representing the per-pupil state and local funds generated and required through the Tennessee Investment in Student Achievement (TISA) for the local education agency where the student resides, or the statewide per pupil average of required state and local TISA funds, whichever amount is less according to Tenn. Code Ann. § 49-6-2605 and State Board of Education Rule 0520-01-16-.04(7).

Funds in an ESA may be used only for educational purposes.

Use of Funds in a Participating Category I, II, or III School

A list of participating schools is available on the [ESA website](#). These are allowable use of ESA funds for student's attending participating schools:

- Tuition fees at a participating school (*ESA funds may not be used for tuition at a non-participating school*)
- Required school uniforms at a participating school (*ESA funds may not be used for uniforms at a non-participating school*)
- Required textbooks at a participating school (*ESA funds may not be used for uniforms at a non-participating school*)
- Tuition and fees for approved educational summer education programs and specialized after-school education programs (*fees cannot be used for non-educational childcare programs*)
- Tutoring services provided by an individual or agency who meets department requirements (*An individual must hold an active TN teacher license and an agency must have accreditation through one of the groups listed in SBE 0520-01-16-.05(1)(c)(2)*)
- Textbooks required by an eligible postsecondary institution (*An eligible postsecondary institution must be at a postsecondary institution operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; or a local governing board of trustees of a state university in this state; or a private postsecondary institution accredited by an accrediting organization approved by the State Board*)
- Transportation to and from a participating school or education provider (*fees are paid only to a commercial fee-for-service provider e.g., taxi or bus, this does not include private transportation by a parent*)
- Fees for early postsecondary opportunity courses, exams, or exams related to college admission (*fees do not include room and board, food, or consumable school supplies*)
- Educational therapies or services for participating students provided by a department-approved licensed therapist

- Computer hardware, technological devices, or other department-approved technology fees *(This is applicable only if the technology is used for educational needs, is purchased at or below fair market value, and is purchased through a participating school, private school, or provider)*
- ESA management fees provided by a private or non-profit financial management organization approved by the department, not to exceed 2% of the ESA funds in a fiscal year

Use of Funds in a non-participating Category I, II, or III School

These are allowable use of funds for students in non-participating schools:

- Tuition and fees for approved educational summer education programs and specialized after-school education programs *(fees cannot be used for non-educational childcare programs)*
- Tutoring services provided by an individual or agency who meets department requirements *(An individual must hold an active TN teacher license and an agency must have accreditation through one of the groups listed in SBE 0520-01-16-.05(1)(c)(2))*
- Educational therapies or services for participating students provided by a department-approved licensed therapist
- Transportation to and from a participating school or education provider *(fees are paid only to a commercial fee-for-service provider e.g., taxi or bus, this does not include private transportation by a parent)*
- Fees for early postsecondary opportunity courses, related exams, or exams related to college admission *(fees do not include room and board, food, or consumable school supplies)*
- Textbooks required by an eligible postsecondary institution *(An eligible postsecondary institution must be at a postsecondary institution operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; or a local governing board of trustees of a state university in this state; or a private postsecondary institution accredited by an accrediting organization approved by the State Board)*
- Computer hardware, technological devices, or other department-approved technology fees *(This is applicable only if the technology is used for educational needs, is purchased at or below fair market value, and is purchased through a participating school, private school, or provider)*
- ESA management fees provided by a private or non-profit financial management organization approved by the department, not to exceed 2% of the ESA funding in a fiscal year

Fraud, Waste or Abuse Reporting

Citizens and agencies are encouraged to report fraud, waste, or abuse in state and local government. **NOTICE:** This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be wasteful, inefficient or fraudulent activities please report these to the Tennessee Comptroller's Office for Fraud, Waste, and Abuse at: <https://www.comptroller.tn.gov/office-functions/investigations/fraud-waste-and-abuse.html> or **1-800-232-5454**.

Funds are used for educational purposes such as



Textbooks



Tuition



Uniforms



Tutors

Application and Admission

How to Apply

To apply for an ESA, the parent of an eligible student *(or an eligible student who has reached the age of 18)* must submit an application found online at www.esa.tnedu.gov.

The state will announce its open enrollment window(s) each year. Timelines for the ESA Program will be posted on the ESA website.

Proof of Income

All applicants must show that the student is a member of a household with an annual income for the previous year that is not more than twice the [federal income eligibility guidelines for free lunch](#).*

Income verification must be established through **one** of the following:

- **A federal income tax return (Form 1040) from the previous year**
- **Temporary Assistance for Needy Families (TANF) letter of eligibility**

Proof of Address

All applicants must show proof of residential address as part of the application. Applicants can do this by uploading **two** of the following:

- Valid driver's license or TN state ID
- A non-expired, valid Tennessee state ID
- A current lease agreement, signed by tenant and landlord
- A utility bill (water, electric, gas, or internet) from the past 3 months
- A mortgage statement from the past 3 months
- A property tax bill or receipt from the most recent year
- A voter registration card issued within the past year
- A homeowner or renter's insurance bill from the past 3 months
- A vehicle registration from the past year
- A landlord affidavit of residence, signed and notarized within 30 days

***Note:** Students identified "at-risk" as defined in T.C.A. § 49-3-307(a)(6) will automatically satisfy the income requirements for eligibility.

Other Information for the Application

- If the child attended any school outside of Tennessee in 2022-23, include the child's 2022-23 transcript with the application.
- If the child is a foster child: include supporting documentation such as a placement contract and a letter from the Department of Children's Services granting permission for the child to participate in the ESA Program and attend private school.
- Any child in custody of the Department of Children Services (DCS) must provide permission for the child to participate in the ESA Program.
- Any additional documentation for unique circumstances. Please email ESA.Applications@tn.gov or leave a message at 615-741-9360 for guidance with unique circumstances.

Submitting the Application

Applications can be submitted in person or through mail:

- **In person:** Applications can be dropped off in person at the Tennessee Department of Education located in Andrew Johnson Tower at 710 James Robertson Parkway, Nashville, TN 37243.
- **By mail:** Applications can be mailed to the Tennessee Department of Education at the following address:

ESA Program c/o TDOE
Andrew Johnson Tower, 10th Floor
710 James Robertson Parkway Nashville, TN 37243

Enrollment Lottery

If the department receives more eligible applications than the maximum number of students that may participate in the program for that school year, there will be an **enrollment lottery**.

Students who participated in the program in the previous school year will automatically be re-enrolled in the program if renewal requirements are met. In other words, these students will not have to enter the lottery.

If an enrollment lottery is conducted, enrollment preference will be granted in the below order:

1. **Eligible students who have a sibling participating in the program**
2. **Eligible students zoned to attend a [Priority school](#)** as defined by the state's accountability system at the time of the enrollment lottery
3. **Eligible students who are eligible for direct certification status**
4. **All other eligible students**

Enrollment Priority

1



Students with
participating
siblings

2



Students zoned
to attend a
Priority school

3



Students eligible
for direct
certification status

4



All other
eligible
students

Participating Family Responsibilities

Enrollment in a Participating ESA School

Once an application has been approved, if the parent (or student who has reached the age of 18) intends on utilizing the ESA for tuition and other approved expenses, an eligible student must apply to and be accepted at a participating private school. **Be aware that participating schools may not accept ESA students for all grades the school serves.** Parents (or students who have reached the age of 18) must then share proof of enrollment with the department before an ESA will be established.

Once a parent/student signs a contract with a participating school, the account holder should complete the following steps:

- Send a copy of the signed school contract as an attachment to ESA.Questions@tn.gov.
- Complete the Family Educational Rights and Privacy Act (FERPA) waiver and email it to ESA.Questions@tn.gov.

After the ESA team receives these documents, the account holder will receive a link to complete the funding pre-approval form online.

Enrollment in a Non-Participating ESA School

Students may use ESA funds at a non-participating Category I, II, or III nonpublic school for certain uses as outlined on page 13 of this handbook. Once an ESA application has been approved, if the parent (or student who has reached the age of 18) intends on utilizing the ESA funds at a non-participating school, the account holder must send the following documents:

- Send a copy of the signed school contract as an attachment to ESA.Questions@tn.gov.
 - Note: Students in grades 3-11 must take the TCAP assessment in the spring. More information will follow during the school year. High school students must submit English and math course titles to the department.
- Complete the FERPA waiver and email it to ESA.Questions@tn.gov.

After the ESA team receives these documents, the account holder will receive a link to complete the funding pre-approval form online.

Additionally, each family will be responsible for working with the ESA Program Team to ensure the participating student (account holder) takes the TCAP assessment in math and English language arts (ELA) and submits the following data throughout the year:

- Quarterly Report Card Grades
- Quarterly Attendance Data
- Graduation Information
- Other requested data

Note: ESA funds cannot be used for tuition payments at non-participating schools.

FERPA Waiver

The Family Educational Rights and Privacy Act of 1974 (FERPA) is the federal law that protects the privacy of student education records. This form allows the ESA team to discuss account holder information with pertinent stakeholders such as officials at the enrolled school, other state departments, etc. The department ensures that student information is kept confidential and secure.

ESA Account Holder Contract

Account holders must sign the ESA Program contract in order to receive the ESA scholarship funds. The contractual term of the ESA is projected to begin July 1 and end on June 30 of every year. If the department determines that the account holder has violated the terms of the contract or failed to comply with the requirements set forth in the Act, the Rule, or the *ESA Account Holder Handbook*, the department is authorized to suspend or terminate the ESA.

Contracts with Schools

Any contract a family signs with a school is the responsibility of the parties represented in the contract. Families need to carefully read the terms of the contract to make certain an understanding of refunds, payment schedule etc. prior to signing. It is the responsibility of the family to ensure that the terms of the contract are fulfilled. In some schools, ESA funds may not pay for the entire cost of tuition. Account holders are responsible for ensuring the account is paid in full. The ESA Program and Tennessee Department of Education are not parties in the school-family contract and cannot void a private contract, give legal advice, or arrange payment schedules.

Application Assurances

When a parent (or student who has reached the age of 18) submits an application to participate in the ESA Program, the account holder agrees to the following assurances:

- **Provide an education for the participating student that meets the school attendance requirement in state law** [Tenn. Code Ann. § 49-6-3001(c)(1)] through enrollment in a state board-approved Category I, II, or III private school.
- **Comply with the requirement that participating students in grades 3-11 participate in the Tennessee Comprehensive Assessment Program (TCAP) tests** for math and English language arts each year of enrollment in the program.
- **Not enroll the participating student in the Individualized Education Account (IEA) program** during the time the student is enrolled in the ESA program.
- **Understand that participation in the program waives the student's right to receive specially-designed instruction and related services according to the Individuals with Disabilities Education Act (IDEA).** Participation in the program also makes the student's IEP invalid, and the student will not be entitled to a free appropriate public education from the public school district. The availability of disability-related services will be limited.
- **Follow the acceptable uses of ESA funds and the responsibilities of the parent of an eligible student** (or eligible student who has reached the age of 18).

Academic Accountability

Participating schools are held accountable to the ESA account holder (i.e., parent or guardian of participating student or student who has reached the age of 18) for meeting the educational needs of the participating student. This means that, at a minimum, **the participating school must annually provide the account holder with a written explanation of the participating student's progress.**

Annual Testing

Participating schools must ensure that participating students in grades 3 through 11 are administered the TCAP tests in math and English language arts each year the student is enrolled in the ESA Program. Each school must designate a testing coordinator, regardless of the grades in which ESA students are enrolled. The school's testing coordinator will be trained by department staff in order to administer the assessments.

The participating school may NOT charge account holders a fee to administer the state assessments. Any assessment fees charged by the participating school for tests other than the required state assessment must be included in the fee schedule submitted with the school's application to participate in the ESA Program and must be itemized on the receipt given to account holders. Account holders may use ESA funds to pay for authorized assessments other than the required state tests.

The participating school must also provide the participating student with an assessment report for those participating students who take an annual assessment, which must include, at a minimum:

- The name of the assessment
- The date the assessment was administered to the student
- The name of the participating student (first, last, middle initial)
- The student's state ID number (issued by the public school in which the participating student resides)
- The participating student's score on the assessment

Participating students who take the TCAP must take the standard TCAP assessment (not the alternative growth measure, portfolio, or Tennessee Universal Reading Screener) and will not be able to receive testing accommodations under the Individuals with Disabilities Education Act. However, students will receive ADA accommodations as applicable.

Additionally, data from the TCAP tests that are annually administered to students must be used to determine student achievement growth, as represented by the Tennessee Value-Added Assessment System (TVAAS). The department will post TVAAS scores of participating schools publicly on the department's website.

Account Holders must get pre-approval for *all* expenses:



Tuition & fees



Computer hardware



Tutoring services



Educational therapy



Summer education



After-school programs

Financial Accountability-Pre-Approval

Account Holders shall obtain pre-approval for tuition and fees, computer hardware or other technological devices, tutoring services, educational therapy services, summer education programs and specialized after school education programs, and any other expenses identified by the department, according to State Board of Education Rule [0520-01-16.05\(2\)](#). If pre-approval is not obtained, the expense shall be deemed an unapproved expenditure. An account holder may request pre-approval by completing and submitting a pre-approval form in accordance with procedures developed by the department. Forms for pre-approval are available on the ESA website at esa.tnedu.gov.

Account Holder Financial Responsibilities

Account holders agree to a number of assurances as conditions of partnership with the program. Any account holder participating in the ESA Program agrees to the following:

- The Agreement and any additional information required by the department shall be submitted to and received by the department by the deadlines set by the department before the first ESA payment is disbursed.
- Prior to the first payment of ESA funds, the account holder must provide proof of enrollment in a Category I, II, or III nonpublic school. No funds shall be disbursed to an ESA account without proof of enrollment in a Category I, II, or III school.
- The use of funds must be educational and for the sole benefit of the participating student for which the ESA is established. ESA funds shall only be used by the account holder on qualifying expenses.

- The account holder is responsible for the repayment of all ineligible expenses and any eligible expenses spent in excess of the amount of the ESA.
- Invoices and receipts must be submitted prior to disbursement for all ESA funds. See the ESA website for all forms related to submitting expenses.
- All contracts entered into are the responsibility of the private parties involved.
- Any tuition or fees charged by a participating school or postsecondary institution that exceed the ESA amount shall be the responsibility of the account holder.
- If a participating student enrolls in the program for less than an entire school year, the ESA amount for that school year shall be reduced on a prorated daily basis.
- If a participating student becomes ineligible to participate in the program for any reason or withdraws from the program, the participating student's ESA shall be closed, and any remaining funds shall be returned to the State Treasurer to be placed in the TISA Account of the Education Trust Fund of 1992 under Tenn. Code Ann. §§ 49-3-357 and 49-3-358.

Expense Reports and Receipts

Account holders are responsible for submitting quarterly expense reports and receipts to the department. According to SBE Rule [0520-01-16-.04\(9\)](#), the account holder shall submit expense reports and receipts for all ESA funds expended in accordance with the procedures set by the department. The account holder contract states that the account holder must submit documentation of all expenditures on a quarterly basis and at minimum, documentation must include receipts for each expense. Each quarter, account holders must submit expense reports and receipts to the department showing a record of all expenses paid using ESA funds in that quarter, by the dates set by the department. The receipts and expense reports must match the ESA wallet statements.

Unused Funds

Account holders are not required to spend the entire scholarship each year. However, a portion of the funds must be used each year on approved expenses for the benefit of the student. Unused funds are transferred to the account holder's balance for the following year, after the family has met all eligibility requirements

Misspent Funds

If the department determines that an ESA account holder has misspent funds, the department may remove the account holder from eligibility for an ESA. If the student has exited or been removed from the ESA Program and the department sends a notice that the account holder must repay misspent funds, the account holder must mail the department a certified check or money order matching the amount of the misspent funds' determination.

Checks or money orders should be made payable to Treasurer, State of Tennessee.

With the check or money order, the account holder must include a letter with the student's name, account holder's name, and the reason the funds are being returned to the state.

Mail the check and letter to:

Tennessee Department of Education
Education Savings Account Program
Division of Choice
Andrew Johnson Tower, 10th Floor
710 James Robertson Parkway
Nashville, TN 37243
Attention: Emily Shewcraft

Electronic Wallet

The ESA Program will have an electronic wallet payment system for account holders in the 2023-24 school year. More information can be found on the [ESA website](#).

Reapplying Each Year

Each year, participating students must reapply to participate in the ESA Program through the department's ESA application process. **The parent/guardian must verify his or her address and income eligibility every year.** This renewal application is available on the [ESA website](#) and must be submitted during the open enrollment period.

Voluntary & Involuntary Withdrawal

A participating student may voluntarily withdraw from the ESA program at any time. To withdraw a student(s) from the ESA Program:

- Notify the student's current school that you will be withdrawing the student, if applicable. Follow the school's instructions for steps to take to withdraw your student from the school's program. Conduct an in-person meeting with the school to ensure acknowledgement of all rights and responsibilities when transferring.
- Complete the ESA program's [Student Withdrawal/Transfer Form](#) **within 5 business days** of the student's school withdrawal.
 - Your school will also fill out a withdrawal form, but an Account Holder's form is recommended to ensure accurate information is received and to provide where the student will enroll next.
 - If a student is attending a non-participating Category I, II, or III school and chooses to withdraw or is involuntarily withdrawn, they must alert the department within 5 business days and submit a withdrawal form.
 - If a student is expelled from a school, and no longer has access to their ESA or suspects discrimination based on race, color, or national origin, the account holder should email ESA.Questions@tn.gov. An account holder can also indicate the need for additional support on their withdrawal form.

Account Holder Suspension

Pursuant to Tenn. Code Ann. § 49-6-26808, the department may suspend or terminate an account holder from participating in the ESA program if the department determines that the account holder has failed to comply with state law, rules, or department procedures for the ESA Program or for nonpublic schools, including the requirements set forth in this handbook.

Account holders may appeal the department's decision to deny an application, remove the account holder from the ESA program, or freeze or withdraw funding by following the two-step appeals process in accordance with SBE Rule 0520-01-16-.11.

Step 1:

- Submit the appeal to the Tennessee Department of Education within 10 business days of receipt of the notice of revoked eligibility or frozen/withdrawn ESA funds. (Notice of revoked eligibility or frozen/withdrawn ESA funds will be provided electronically. It is the account holder's responsibility to monitor the email address provided to ensure messages from the ESA program are received.)
- The commissioner or the commissioner's designee will review the appeal. A decision will be issued within 45 calendar days. (The account holder will be notified of the commissioner's decision for the Step 1 appeal electronically.)
- To file a Step 1 appeal, complete the Step 1 appeal form posted online at www.esa.tnedu.gov and email it to ESA.Questions@tn.gov or mail to the department.

Step 2:

- If the account holder wants to appeal the commissioner's decision, the appeal must be filed with the commissioner by the account holder within 30 calendar days and shall conform to the Uniform Administrative Procedures Act (UAPA) (Tenn. Code Ann. Title 4, Chapter 5).
- To file a UAPA appeal, complete the form posted online at <https://esa.tnedu.gov/> or email ESA.Questions@tn.gov.
- After the UAPA form has been submitted to the department, account holders will be notified by an administrative law judge, who will set the date and time of the account holder's hearing.

Account Holder Options for Transferring Schools

The following options are available for re-enrollment in a new school after a withdrawal:

- **Enroll the student in a participating school**
 - The remainder of the ESA scholarship can be used at the participating school the student is transferring to after revision of the pre-approval form.
 - The account holder must send a copy of the school contract to ESA.Questions@tn.gov.
 - The account holder must submit verification of enrollment from the new participating school to ESA.Questions@tn.gov.
- **Enroll the participating student in a non-participating Category I, II or III nonpublic school**
 - If the account holder selects this option, the **fees for tuition, uniforms and textbooks are not allowable use of funds** for the ESA scholarship.
 - The account holder must send a copy of the school contract to ESA.Questions@tn.gov.
 - If the student is in grades 3-11, the student is still required to take the TCAP assessment in math and English language arts. It is the parent/ guardian/ emancipated student's obligation to ensure the student takes the TCAP test.
- **Enroll the participating student in the public school district, homeschool, or Category IV or V non-public school**
 - If the account holder selects this option, they **voluntarily withdraw their student from the ESA program and are no longer able to use the ESA funding. To qualify for the program again, the parent must complete a new student application to participate in the ESA program when the open enrollment window opens for the next school year.**

Please note: If an account holder should voluntarily or involuntarily withdraw from their Category I, II, or III school, they must enroll in another Category I, II, or III nonpublic school to maintain their ESA scholarship. If an account holder should enroll in a public school, homeschool, or Category IV or V nonpublic school, they will forfeit their scholarship for the year.

However, according to Tenn. Code Ann. § 49-6-2602(3)(A)(iii), a student would remain eligible for the ESA Program in the upcoming school year. To re-enroll in the program, the eligible student must apply and supply all required documentation according to application timelines.

Fiscal Responsibilities for Withdrawals

In the case where a student withdraws during the course of the school year, the ESA scholarship for that school year will be reduced on a prorated daily basis, as required by State Board of Education Rule [SBE 0520-01-16-.04\(8\)](#).

- The department shall prorate the amounts paid to each school based on the days of enrollment at each school relative to the minimum number of days each school is open for instruction.
- Schools will submit the expense report within 10 business days of the withdrawal date to include all expenses covered through the ESA.
- Any funds remaining in the ESA account will be returned to the State Treasurer, as required by State Board of Education Rule [0520-01-16-.06\(3\)](#).
- Students are not eligible to retain funds for postsecondary enrollment unless all qualifications for the ESA Program are met and re-application is approved.

Legacy Students

If a participating student graduates high school or reaches the age of 22 and has money left in the ESA account, the student will become a **Legacy Student**.

A Legacy Student may use their remaining ESA funds to attend or take courses from an eligible postsecondary institution.

A Legacy Student's ESA will be closed after the first of the following events:

- The Legacy Student graduates from an eligible postsecondary institution
- Four back-to-back years elapse immediately after the Legacy Student enrolls in an eligible postsecondary institution
- The Legacy Student is not enrolled in an eligible postsecondary institution for 12 back-to-back months

A Legacy Student may use ESA funds to attend or take courses from an eligible postsecondary institution.

Appendix A: Frequently Asked Questions

Student Application

- ***I filed my taxes but don't have a copy of my 1040. What can I do?***
 - The ESA review team is required to consider the prior year's income as part of the income eligibility requirements. If taxes were filed, there are a few options to submit proof of income. One option is contacting the tax preparer to ask for a copy of the 1040. If taxes were filed through a third party, including an online service, the preparer should retain a copy of the 1040. A second option is accessing the IRS website and requesting an unredacted tax transcript to be mailed to your address. A family may send in a tax transcript along with copies of all social security number cards in order to verify the individuals listed as the household.
- ***I live in a house that is owned by a relative/friend/someone else. All utilities are in this person's name, not mine. What should I do to show residency on the application?***
 - For this situation, the relative or friend is acting in place of a landlord. The ESA applicant should download the Landlord Affidavit of Residence from the ESA website. This must be completed, signed, and notarized within 30 days of the ESA application to be considered. For the second proof of residency, the family should submit a document in the landlord's name with the same address.
- ***I can't locate my 1040. Is an IRS Tax Transcript acceptable?***
 - A tax transcript with full, unredacted social security numbers can be submitted in addition to copies of social security cards for all persons on the tax transcript. The numbers and names must match in order to verify.
 - If a family filed taxes through a service, the parent(s) should reach out to the service for a copy of the 1040. Tax preparers have copies.
- ***What does the 1040 need to have?***
 - A 1040 should clearly list the parent(s) as listed on the ESA application. The ESA review team confirms that the child's name on the 1040 is the same name provided on the application. The 1040 will be used to determine household size and income. Household size includes the total number of people listed as adults and dependents (example: 1 parent and 2 dependents is a total of 3 for household size). This number is compared with income listed on line 9 to determine if the child lives in household that meets the income eligibility guidelines. The chart for household size and income limits is available on our website.
 - If a child's parents are divorced, the parent(s) should submit the 1040 that lists the child as a dependent. This is the 1040 that will be used to determine household size and income. If there is a court-mandated parenting plan that dictates which parent claims the child, even though the parent is not responsible for 50% or more time/resources for the child, the parent(s) should submit this alongside the application.
 - For households with more than one income earning adult: If the income earning persons in the household do not file taxes jointly, a 1040 for each income earning person should be included.
- ***My family recently moved to Tennessee from another country. What can I submit to show proof of residency?***
 - Documentation to support residency is the same regardless of the length of time a family has been in the United States; the law does not differentiate for refugee or immigrant status. A parent can submit the child's passport along with the transcript or report card from the school in which they attended in their country, if available.

Enrollment in Participating Schools

- ***The school I am interested in sending my child to isn't on the list. What does that mean?***
 - For a student to use ESA funds for tuition, the school must be on the list of participating schools. Otherwise, a student can attend any Category I, II, or III school and use the ESA on tutoring, therapy, summer educational programming, or commercial transportation. For questions about a particular school's category, email ESA.Questions@tn.gov. A finance pre-approval form must be completed for any use of funds, even if the school is not participating.
- ***Can the school tell me how I spend the ESA?***
 - Account holders have the sole ability to determine the use of funds. A school may advise a family how to use ESA funds in conjunction with the school's financial aid, as the restrictions around each may limit the use of the funds. Ultimately, the family decides how to spend the funds for educational expenses.

Use of Funds

- ***How much is an ESA? Can it pay for all school expenses?***

Each approved student, regardless of grade, location, or family size, will receive the same amount for the ESA. For the 2022-23 school year, that amount is \$8,192. Account holders (parent/guardian if the child is under 18 years old) can decide how to spend this money between tuition, required books and technology, uniforms, and other allowable educational expenses. A few examples are below:

 - Cathy has enrolled at a school where annual tuition is \$12,000. She is approved for an ESA and has decided to use the entire ESA amount toward tuition. She will need to pay for the remaining \$3,808 of tuition from her own account or through the school's financial aid, if available. All other required expenses for the school will be her responsibility.
 - Mike has enrolled at a school where annual tuition is \$6,500. He is approved for an ESA and has decided to spend \$6,500 of the ESA toward tuition. With the remaining \$1,692 of the ESA, Mike has decided to spend \$500 for uniforms and \$1,000 for books and technology. The remaining \$192 will be unused.
 - Michela has enrolled at a school where annual tuition is \$14,000. She has been approved for an ESA and has received financial aid from the school. The school's financial aid is \$4,500 toward tuition and \$500 toward the lunch program. She has decided to use \$8,000 of her ESA toward tuition and will pay the remainder out of pocket using the school's monthly payment plan. She wants to put the remaining \$192 toward tutoring services.
- ***Can left over funds be used later for summer programs?***
 - Families need to indicate on the Funds Pre-Approval form how they intend to use the ESA for the entire school year. Any changes to this should be sent to the finance team directly for consideration.

Appendix B: FERPA Waiver



FERPA Release

The Family Educational Rights and Privacy Act (FERPA) of 1974 is a federal law that protects the privacy of student education records, as defined by 34 CFR Part 99. In order for a student to participate in the ESA program, the account holder must sign a release to allow the Tennessee Department of Education (department) to disclose personally identifiable information contained in the student's education records to the individuals and agencies listed below. This form is provided as a means for account holders to give the department permission to discuss the student's education records with someone other than themselves (written consent will be kept permanently on file).

I understand that the Family Educational Rights and Privacy Act of 1974 prohibits any further disclosure of this information without my specific written consent, or as otherwise permitted by such regulations. I understand that I have the right not to consent to disclosure of this information. I understand that this consent shall remain in effect until revoked by me, in writing, and delivered to the department, but that any such revocation shall not affect disclosures previously made by the department prior to the receipt of any such written revocation. If for any reason an account holder decides to cancel this release, the account holder must send an email withdrawing the consent, indicating the person(s) affected to: ESA.Questions@tn.gov.

Having read and understand this release, I hereby authorize the department to release information regarding the student's education records to the following:

- 1. Any participating non-public school and postsecondary institution that the student currently attends or has attended while enrolled in the ESA Program,*
- 2. Any Tennessee state governmental entity, including, but not limited to, the Tennessee Department of Treasury, Tennessee Department of Children's Services, the Tennessee Student Assistance Corporation, and*
- 3. The person(s) whose name(s) appear below.*

Account holders may also give written consent to the department to discuss the student's education records with someone other than the account holder by writing the person's name in the boxes below.

Student's Name	
Student's Date of Birth	
Disclose to: Full Name #1	
Disclose to: Full Name #2	
Signature of Account Holder	
Date	

Appendix C: Finance Worksheet

Account holders are encouraged to use this worksheet to understand how their ESA can be applied to particular educational expenses. Participating schools may assist with completing Columns A and B for an ESA student.

Instructions: Fill in what is required by the school for **all students** in Column A. Then, fill in the amount of any non-ESA financial aid your child is receiving in Column B. Subtract Column B from Column A to determine the leftover cost.

Sample: Amber enrolls at a school where tuition for all students is \$10,000 and each student is charged a textbook fee of \$500. Amber receives \$6,000 of financial aid from the school for tuition. The sample chart below shows these amounts for Column A (what is charged to all students) and Column B (what Amber receives in her financial aid package). Column C is the remainder to be paid, Amber would need to pay \$4,000 for tuition and \$500 for the textbook fee. The ESA covers both as allowable uses of funds. Any remaining amount in Amber's ESA can be used for other educational expenses such as educational summer programs or tutoring.

<i>Amber's ESA</i>	A. Total cost for all students	B. Financial aid for my student	C. Amount remaining
Tuition	\$10,000	\$6,000	\$4,000
Textbooks	\$500	\$0	\$500

See the next page for a complete chart to use.

Finance Worksheet

Account holders are encouraged to use this worksheet to understand how their ESA can be applied to particular educational expenses. Participating schools may assist with completing Columns A and B for an ESA student.

Instructions: Fill in what is required by the school for **all students** in Column A. Then, fill in the amount of any non-ESA financial aid your child is receiving in Column B. Subtract Column B from Column A to determine the leftover cost.

	A. Total cost for all students	B. Financial aid for my student	C. Amount remaining
Tuition			
Textbooks			
Technology			
Uniforms			
Transportation			
Tutoring			
Therapy			

*Check with your participating school to determine if the ESA amount is included in anticipated financial aid.

The amount listed in the **far-right column C**—Amount remaining—can be covered by the ESA as long as it does not add up to more than the total ESA funding amount, which is _____. If Column C is more than the ESA, the account holder will need to pay for any remaining tuition or fees out of pocket.

Column C amounts should be entered in the Financial Pre-Approval form. All expenses **must** be approved by the ESA team.

Appendix D



Approved Student Checklist

The Tennessee Department of Education is excited to partner with ESA families throughout the school year. See below for important and helpful information while navigating the application and enrollment process.

For students attending ESA Participating schools (list posted online [here](#)):

- ☐ Sign and return the **FERPA Waiver**. Completed waivers should be returned to ESA.Questions@tn.gov. The department requires one form per child approved for the program.
- ☐ Share your ESA Approval Letter with each nonpublic school you are applying to, so they are aware of your desire to use an ESA at the school.
- ☐ Sign and return the **Account Holder Contract** that was sent to you.
- ☐ Review the resource *Considering Your Nonpublic School Options* while you explore and apply to nonpublic schools around you.
- ☐ Once you have been accepted at a nonpublic school, send a **copy of your signed school contract** to ESA.Questions@tn.gov.
- ☐ Complete the **Financial Pre-Approval** form online. Use the *Finance Worksheet* to assist in completing this form.
 - All ESA funds must be pre-approved before spending.

For students attending non-participating schools:

- ☐ Sign and return the **FERPA Waiver**. Completed waivers should be returned to ESA.Questions@tn.gov. The department requires one form per child approved for the program.
- ☐ Sign and return the **Account Holder Contract** that was sent to you.
- ☐ Review the resource *Considering Your Nonpublic School Options* while you explore and apply to nonpublic schools around you.
- ☐ Once you have been accepted at a nonpublic school, send a **copy of your signed school contract** to ESA.Questions@tn.gov.
- ☐ Complete the **Financial Pre-Approval** form online. Use the *Finance Worksheet* to assist in completing this form.
 - Note: Students enrolled at non-participating Category I, II, or III schools cannot use ESA funds for tuition, textbooks, uniforms, or technology. See the Use of Funds section in the Family Handbook for more information. All funds must be pre-approved before spending.
- ☐ When available, send a copy of your child's school class schedule to ESA.Questions@tn.gov.

Questions? Reach out to the ESA team at any time:

Email: ESA.Questions@tn.gov

Phone: 615-741-9360



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